

Unaudited Full Year Financial Statements and Dividend Announcement for the financial year ended 31 December 2014

Natural Cool Holdings Limited. (Registration Number: 200509967G)

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULT

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for corresponding period of the immediately preceding financial year

CONSOLIDATED INCOME STATEMENT

	Group Year Ended 31 December		Increase/ (Decrease)
	2014	2013	
	S\$'000	S\$'000	%
Revenue	142,377	154,729	(7.98)
Cost of sales	(117,811)	(130,915)	(10.01)
Gross profit	24,566	23,814	
Other income	5,542	949	483.98
Distribution expenses	(5,679)	(5,812)	(2.29)
Administrative expenses	(18,828)	(16,599)	13.43
Other expenses	(1,100)	(677)	62.48
Results from operating activities	4,501	1,675	
Finance costs	(1,216)	(1,206)	0.83
Profit before income tax	3,285	469	
Income tax (expenses)/credit	(237)	1	NM
Profit for the year	3,048	470	548.51
Profit attributable to:			
Owners of Company	3,098	509	508.64
Non-controlling interests	(50)	(39)	28.21
Profit for the year	3,048	470	548.51
Earnings per share:			
Basic earnings per share (cents)	1.51	0.25	
Diluted earnings per share (cents)	1.51	0.25	

NM denotes not meaningful

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	Year Ended 31 December	2013	Increase/
	2014		(Decrease)
	S\$'000	S\$'000	%
Profit for the year	3,048	470	548.51
Other comprehensive income			
<i>Item that is or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations	(45)	(128)	(64.84)
<i>Item that will not be reclassified to profit or loss:</i>			
Recognition of equity component from issue of convertible loan notes	-	300	NM
Total comprehensive income for the year	<u>3,003</u>	<u>642</u>	367.03
Total comprehensive income attributable to:			
Owners of the Company	3,050	696	337.59
Non-controlling interests	(47)	(54)	(12.96)
Total comprehensive income for the year	<u>3,003</u>	<u>642</u>	367.03

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1 (a) (ii) Other notes:

Profit from operations is arrived at after (crediting)/charging the following items:

	Group	
	Year Ended 31 December	
	2014	2013
	S\$'000	S\$'000
Interest income	(7)	(29)
Amortisation of intangible assets	625	372
Amortisation of club memberships	-	137
Bad debts written-off	153	105
Depreciation for investment property	48	289
Depreciation for property, plant and equipment	2,961	3,126
Impairment loss for trade receivables - net	143	252
Loss on foreign exchange - net	254	373
Gain on disposal of property, plant and equipment	(15)	(2)
Gain on disposal of investment property	(4,758)	-
Plant and equipment written-off	393	26
Impairment loss for inventory obsolescence	155	-

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1 (b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at 31-Dec-14	As at 31-Dec-13	As at 31-Dec-14	As at 31-Dec-13
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	25,591	18,144	5	-
Intangible assets	8,078	7,166	-	-
Investment property	-	10,348	-	-
Subsidiaries	-	-	15,007	15,007
Other investments	5,898	3,750	5,898	3,750
Deferred tax assets	1,404	1,465	-	-
	<u>40,971</u>	<u>40,873</u>	<u>20,910</u>	<u>18,757</u>
Current assets				
Inventories	16,786	16,409	-	-
Trade and other receivables	48,391	49,090	6,885	10,557
Cash and cash equivalents	14,490	12,390	643	19
	<u>79,667</u>	<u>77,889</u>	<u>7,528</u>	<u>10,576</u>
Current liabilities				
Trade and other payables	54,616	59,146	2,162	811
Loans and borrowings	6,333	2,408	3,450	-
Current tax payable	1,328	1,465	-	-
	<u>62,277</u>	<u>63,019</u>	<u>5,612</u>	<u>811</u>
Net current assets	17,389	14,870	1,916	9,765
Less:				
Non-current liabilities				
Loans and borrowings	14,755	15,273	-	3,450
Deferred tax liabilities	371	238	-	-
	<u>15,126</u>	<u>15,511</u>	<u>-</u>	<u>3,450</u>
Net assets	<u>43,235</u>	<u>40,232</u>	<u>22,826</u>	<u>25,072</u>
Share capital	31,957	31,957	31,957	31,957
Reserves	(3,432)	(3,384)	300	300
Accumulated profits/(losses)	14,482	11,384	(9,431)	(7,185)
Equity attributable to owners of the Company	<u>43,007</u>	<u>39,957</u>	<u>22,826</u>	<u>25,072</u>
Non-controlling interests	228	275	-	-
Total equity	<u>43,235</u>	<u>40,232</u>	<u>22,826</u>	<u>25,072</u>

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1 (b) (ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	Group	
	As at 31 December 2014 S\$'000	As at 31 December 2013 S\$'000
Amount repayable in one year or less, or on demand		
Unsecured		
Term loans	1,613	475
Convertible loan notes	3,450	-
	<u>5,063</u>	<u>475</u>
Secured		
Bank overdrafts	-	337
Current portion of bank loans	808	865
Finance lease payables	462	731
	<u>1,270</u>	<u>1,931</u>
	<u>6,333</u>	<u>2,408</u>
Amount repayable after one year		
Unsecured		
Term loans	2,447	368
Convertible loan notes	-	3,450
	<u>2,447</u>	<u>3,818</u>
Secured		
Bank loans	11,253	9,721
Finance lease payables	1,055	1,734
	<u>12,308</u>	<u>11,455</u>
	<u>14,755</u>	<u>15,273</u>

Details of collateral:

The borrowings are secured on:-

- (i) property, plant and equipment and investment properties with net book values as at 31 December 2014 of S\$16,914,065 and S\$Nil (FY2013: S\$9,585,307 and S\$10,347,941) respectively;
- (ii) fixed deposits pledged amounted to S\$249,855 (FY2013: S\$214,058);
- (iii) fixed and floating charges on inventories amounted to S\$69,402 (FY2013: S\$254,696); and
- (iv) corporate guarantees by Natural Cool Holdings Limited.

The finance lease payables are secured by motor vehicles, equipment and machines under the leases.

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1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	Full year ended 31 Dec	
	2014	2013
	S\$'000	S\$'000
Operating activities		
Profit for the year	3,048	470
<u>Adjustments for:</u>		
Amortisation of deferred revenue	(1,300)	(1,300)
Amortisation of club memberships	-	137
Amortisation of intangible assets	625	372
Depreciation of investment property	48	289
Depreciation of property, plant and equipment	2,961	3,126
Gain on disposal of investment property	(4,758)	-
Gain on disposal of property, plant and equipment	(15)	(2)
Plant and equipment written-off	393	26
Intangible asset written-off	1	-
Income tax expense/(credit)	237	(1)
Interest expenses	1,216	1,206
Interest income	(7)	(29)
	<u>2,449</u>	<u>4,294</u>
<u>Changes in working capital:</u>		
Inventories	(377)	2,505
Trade and other receivables	699	(1,251)
Trade and other payables	<u>(2,762)</u>	<u>5,170</u>
Cash flows generated from operations	9	10,718
Income taxes paid	<u>(182)</u>	<u>(234)</u>
Cash flows (used in)/generated from operating activities	<u>(173)</u>	<u>10,484</u>

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Investing activities

Interest received	7	29
Proceeds from disposal of property, plant and equipment	37	30
Proceeds from disposal of investment property - net	15,345	-
Investment in other investments	(2,148)	(3,750)
Purchase of computer software	(37)	(1,132)
Purchase of industrial certificates	(1,435)	(1,796)
Improvement to investment property	(256)	-
Purchase of property, plant and equipment	(3,868)	(652)
Cash flows generated from/(used in) investing activities	7,645	(7,271)

Financing activities

Fixed deposits (pledged)/released	(36)	137
Interest paid	(1,029)	(1,018)
Proceeds from issue of convertible notes	-	3,750
Proceeds from bank borrowings	4,500	1,000
Repayment of bank borrowings	(6,047)	(2,172)
Repayment of finance lease liabilities	(1,735)	(741)
Cash flows (used in)/generated from financing activities	(4,347)	956

Net increase in cash and cash equivalents	3,125	4,169
Effect on changes in foreign exchange rate	67	(11)
Cash and cash equivalents at beginning of year	11,048	6,890
Cash and cash equivalents at end of year	14,240	11,048

Cash and cash equivalents on balance sheet	14,490	12,390
Fixed deposits pledged	(250)	(214)
Bank overdrafts	-	(337)
Cash restricted in use (i)	-	(791)
Cash and cash equivalents in the statement of cash flows	14,240	11,048

- (i) Cash restricted in use relates to an undertaking by the Group to deposit the insurance compensation with a bank which is restricted solely for the purpose of reinstatement of an investment property.

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1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Capital reserve	Foreign currency translation reserves	Accumulated profits	Total attributable to equity holders of the Company	Non- controlling interests	Total equity
<u>Group</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2013	31,957	(3,378)	(194)	10,875	39,260	329	39,589
Total comprehensive income for the year							
-Profit for the year	-	-	-	509	509	(39)	470
Other comprehensive income							
-Foreign currency translation differences	-	-	(112)	-	(112)	(15)	(127)
-Recognition of equity component from issue of convertible loan notes	-	300	-	-	300	-	300
Total comprehensive income for the year	-	300	(112)	509	697	(54)	643
At 31 December 2013	31,957	(3,078)	(306)	11,384	39,957	275	40,232

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Capital reserve	Foreign currency translation reserves	Accumulated profits	Total attributable to equity holders of the Company	Non- controlling interests	Total equity
<u>Group</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2014	31,957	(3,078)	(306)	11,384	39,957	275	40,232
Total comprehensive income for the year							
-Profit for the year	-	-	-	3,098	3,098	(50)	3,048
Other comprehensive income							
-Foreign currency translation differences	-	-	(48)	-	(48)	3	(45)
Total comprehensive income for the year	-	-	(48)	3,098	3,050	(47)	3,003
At 31 December 2014	31,957	(3,078)	(354)	14,482	43,007	228	43,235

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STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Capital reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Company</u>				
At 1 January 2013	31,957	-	(6,595)	25,362
Total comprehensive income for the year				
-Loss for the year	-	-	(590)	(590)
-Recognition of equity component from issue of convertible loan notes	-	300	-	300
At 31 December 2013	31,957	300	(7,185)	25,072
Total comprehensive income for the year				
-Loss for the year	-	-	(2,246)	(2,246)
At 31 December 2014	31,957	300	(9,431)	22,826

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1. (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the issued and paid-up share capital of the Company from 31 December 2013 up to 31 December 2014. The Company's share capital was S\$31,956,902 comprising 205,447,985 shares as at 31 December 2013 and as at 31 December 2014.

During the full year ended 31 December 2013, the Company issued convertible loan notes amounting to S\$3,750,000 to HT Holdings (HK) Ltd. The convertible loan notes were subsequently transferred to Rhodus Capital Limited in August 2013. Both HT Holdings (HK) Ltd and Rhodus Capital Limited are owned by the same shareholders with the same shareholding structure.

The equity component of these convertible loan notes amounting to S\$300,000 has been classified under capital reserve. As at 31 December 2014, the convertible loan notes can be fully converted into 25,000,000 shares in the capital of the Company at a conversion price of S\$0.15 per share (As at 31 December 2013: 25,000,000 shares).

Save as disclosed, the Company did not have other outstanding options, convertibles or treasury shares as at 31 December 2014 and as at 31 December 2013.

1. (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total numbers of issued shares (excluding treasury shares) were 205,447,985 as at 31 December 2014 and 31 December 2013.

There were no treasury shares as at 31 December 2014 and 31 December 2013.

- (d) (iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

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4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in those of the audited financial statements for the year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new and/or revised Financial Reporting Standards (FRSs) and interpretations that are effective for annual periods beginning 1 January 2014. Presently, the Group does not expect the adoption of the new and/or revised FRS and the interpretations to have any material impact on the financial statements of the Group for the current reporting period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

(a) based on the weighted average number of ordinary shares on issue; and

(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	Full year ended 31 December	
	2014	2013
Net profit attributable to shareholders (S\$'000)	3,098	509
Weighted average number of ordinary share in issue (No. of shares) - basic	205,447,985	205,447,985
Earnings per share (Singapore cents) - basic	1.51	0.25
Weighted average number of ordinary share in issue (No. of shares) - diluted	205,447,985	205,447,985
Earnings per share (Singapore cents) - diluted	1.51	0.25

Note:

As at 31 December 2014 and 31 December 2013, the conversion effect of the convertible loan notes were excluded from the calculation of diluted weighted average number of ordinary share as their effects would have been anti-dilutive.

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7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year:**

	Group		Company	
	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Net assets attributable to shareholders (S\$'000)	<u>43,235</u>	<u>40,232</u>	<u>22,826</u>	<u>25,072</u>
Net asset value per share (Singapore cents)	<u>21.04</u>	<u>19.58</u>	<u>11.11</u>	<u>12.20</u>

Note:

The total numbers of issued shares (excluding treasury shares) were 205,447,985 as at 31 December 2014 and 31 December 2013, respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Income Statement

The Group achieved revenue of S\$142.38 million in the full year ended 31 December 2014 ("FY2014"), a decrease of S\$12.35 million, or 7.98% as compared to S\$154.73 million in the full year ended 31 December 2013 ("FY2013"). This was due mainly to lower revenue registered by the Group's Aircon division as a result of delay in a few projects.

Gross profit increased by S\$0.75 million or 3.16% to S\$24.57 million in FY2014 due mainly to projects with higher margins.

Other income increased by S\$4.59 million or 483.98% to S\$5.54 million due mainly to gain on disposal of investment property at Benoi Crescent (as announced previously on 15 August 2014). The Group announced previously on 16 April 2014 that the estimated gain on disposal of investment property at Benoi Crescent was S\$6.15 million. The difference of S\$1.39 million was due mainly to increase in reinstatement costs of the property at Benoi Crescent.

Distribution expenses decreased by S\$0.13 million or 2.29% to S\$5.68 million due mainly to lower salaries as headcount in the sales and marketing division have reduced.

Administrative expenses increased by S\$2.23 million or 13.43% to S\$18.83 million due mainly to profit incentive to the top management in accordance to their respective service agreements and higher salaries for administrative staff.

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Other expenses increased by S\$0.42 million or 62.48% to S\$1.10 million due mainly to write-off of previously capitalised renovation work for Aircon division's retail outlets at West Coast and Junction 10 as the leases of these two outlets were terminated.

In FY2013, the Group had a net tax credit due mainly to higher tax savings derived from certain new tax incentives introduced by the government and reversal of overprovision of tax liabilities recognised in prior years.

Arising from the above, the Group reported a profit attributable to shareholders of S\$3.10 million in FY2014.

Review of Statements of Financial Position

Property, plant and equipment increased by S\$7.45 million to S\$25.59 million as at 31 December 2014 due mainly to acquisition of property at Defu Lane.

Investment property decreased by S\$10.35 million due mainly to the disposal of the Group's investment property at Benoi Crescent.

Other investments increased by S\$2.15 million to S\$5.90 million due mainly to subscription of zero coupon unsecured convertible bonds issued by HMK Energy Pte. Ltd. (as announced previously on 18 August 2014).

Trade and other payables decreased by S\$4.53 million to S\$54.62 million as at 31 December 2014 due mainly to faster payment to suppliers.

Current loans and borrowings increased by S\$3.93 million to S\$6.33 million as at 31 December 2014 due mainly to the reclassification of the convertible loan notes from non-current liabilities to current liabilities.

Review of Statement of Cash Flows

Cash flows from operating activities were an outflow of S\$0.17 million for FY2014 as compared to an inflow of S\$10.48 million for FY2013. This was due mainly to the decrease in trade and other payables as a result of increased payments to suppliers.

Cash flows from investing activities were an inflow of S\$7.65 million for FY2014 as compared to an outflow of S\$7.27 million for FY2013. This was due mainly to net proceeds from disposal of investment property at Benoi Crescent.

Cash flows from financing activities were an outflow of S\$4.35 million for FY2014 as compared to an inflow of S\$0.96 million for FY2013. This was due mainly to repayment of mortgage loan for the investment property at Benoi Crescent.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No specific forecast or prospect statement for the current financial period was previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

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The Board of the Directors of the Company expects the Group's operating environment and conditions to be challenging for the next 12 months. However, the Group will continue to enhance its operating margins by improving operational efficiency and rationalising cost structure in order to enhance its competitiveness.

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11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared.

13. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

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PART II-ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Operating segment

2014	Aircon S\$'000	Switchgear S\$'000	Investment S\$'000	Total S\$'000
Revenue and expenses				
External revenue	88,914	48,795	4,668	142,377
Inter-segment revenue	78	79	1,215	1,372
Total revenue of reportable segments	88,992	48,874	5,883	143,749
Interest income	1	1	5	7
Interest expense	379	574	141	1,094
Depreciation and amortisation	1,199	1,999	434	3,632
Reportable segment profit / (loss) before income tax	1,436	475	3,618	5,529
Other material non-cash items:				
-Impairment of receivables - net	149	(6)	-	143
-Impairment of inventory obsolescence	-	155	-	155
-Bad debts written-off	12	137	4	153
-Plant and equipment written-off	337	56	-	393
Reportable segment assets	55,357	43,990	16,998	116,345
Capital expenditure	10,148	2,301	439	12,888
Reportable segment liabilities	38,702	27,960	16,415	83,077
2013	Aircon S\$'000	Switchgear S\$'000	Investment S\$'000	Total S\$'000
Revenue and expenses				
External revenue	98,732	50,530	5,467	154,729
Inter-segment revenue	53	281	1,719	2,053
Total revenue of reportable segments	98,785	50,811	7,186	156,782
Interest income	1	26	2	29
Interest expense	244	624	150	1,018
Depreciation and amortisation	1,133	1,962	690	3,785
Reportable segment profit / (loss) before income tax	1,240	364	(545)	1,059
Other material non-cash items:				
-Impairment of receivables - net	160	92	-	252
-Bad debts written-off	82	22	1	105
-Plant and equipment written-off	26	-	-	26

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Reportable segment assets	45,055	47,823	26,103	118,981
Capital expenditure	270	3,961	418	4,649
Reportable segment liabilities	29,537	31,589	29,172	90,298

b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2014	2013
	S\$'000	S\$'000
Revenues		
Total revenue for reportable segments	143,749	156,782
Elimination of inter-segment revenue	(1,372)	(2,053)
Consolidated revenue	142,377	154,729

Profit or loss

Total profit or loss for reportable segments	5,529	1,059
Other losses	(2,240)	(588)
	3,289	471
Elimination of inter-segment profits	(4)	(2)
Consolidated profit before income tax	3,285	469

	2014	2013
	S\$'000	S\$'000
Assets		
Total assets for reportable segments	116,345	118,981
Other assets	29,020	29,342
Elimination of inter-segment assets	(24,725)	(29,561)
Consolidated total assets	120,640	118,762

Liabilities

Total liabilities for reportable segments	83,077	90,298
Other liabilities	6,192	4,268
Elimination of inter-segment liabilities	(11,866)	(16,036)
Consolidated total liabilities	77,403	78,530

	Reportable segment totals	Adjustments	Consolidated totals
	S\$'000	S\$'000	S\$'000
Other material items in 2014			
Finance income	7	-	7
Finance cost	1,094	122	1,216
Capital expenditure	12,888	(126)	12,762
Depreciation and amortisation	3,632	2	3,634
Impairment of receivables - net	143	-	143
Impairment of inventory obsolescence	155	-	155
Bad debts written-off	153	-	153
Plant and equipment written-off	393	-	393
Intangible asset written-off	1	-	1

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Other material items in 2013	Reportable segment totals S\$'000	Adjustments S\$'000	Consolidated totals S\$'000
Finance income	29	-	29
Finance cost	1,018	188	1,206
Capital expenditure	4,649	-	4,649
Depreciation and amortisation	3,785	139	3,924
Impairment of receivables - net	252	-	252
Bad debts written-off	105	-	105
Plant and equipment written-off	26	-	26

(b) Geographical information

	2014		2013	
	S\$'000	%	S\$'000	%
Revenue				
Singapore	139,473	97.96	147,670	95.44
Malaysia	1,370	0.96	5,469	3.53
India	724	0.51	201	0.13
Others*	810	0.57	1,389	0.90
Total	142,377	100.00	154,729	100.00
Non-current assets**				
Singapore	32,753	83.37	32,135	81.54
Malaysia	6,359	15.52	6,786	17.22
India	456	1.11	487	1.24
Total	39,568	100.00	39,408	100.00

* Others include Sri Lanka, Hong Kong, Thailand, Vietnam, Indonesia and etc.

** Non-current assets consist of property, plant and equipment, intangible assets, club memberships, investment property and other investments.

Major Customer

Revenue from one customer of Group's Aircon segment represents approximately S\$3.41 million (FY2013: S\$3.40 million) of the Group's total revenue.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8.

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16. A breakdown of sales as follows:

	Group	(Decrease)/
	2014	2013
	S\$'000	S\$'000
		Increase
		%
(a) Sales reported for first half year	66,525	75,642
		(12)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	352	203
		73
(c) Sales reported for second half year	75,852	79,087
		(4)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	2,696	267
		910

17. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

During FY2014, the following interested person transaction was carried out in the normal course of business (excluding transaction less than S\$100,000) on normal commercial terms agreed between Tsng Joo Ann and the Company's wholly-owned subsidiary Natural Cool Air-conditioning and Engineering Pte Ltd for the sale of air-conditioners and parts.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review excluding transactions less than \$100,000 and excluding transactions conducted under shareholders' mandate pursuant to Rule 920	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Tsng Joo Ann ¹	S\$249,322	-

Note:-

1 – Brother of Tsng Joo Peng, the Chief Executive Officer of the Company

The Company does not have a general mandate from shareholders for interested person transactions.

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18. **Disclosure of persons occupying managerial positions in the issuer or any of its principal subsidiaries who are relatives of a director, chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) in the format set out below.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Yap Geok Khim	49	Spouse of Joseph Ang Choon Cheng, Executive Chairman (appointed on 3 Nov 2014) and substantial shareholder Sister-in-law of Eric Ang Choon Beng, Executive Director	Manager for Gathergates Switchgear Private Limited (“Gathergates”) Responsible for overall administrative matters in Gathergates Madam Yap Geok Khim joined the Group on 2 March 2006, and has been holding the current position since 2 March 2006	NA
Cheong Kim Hock	49	Cousin of Joseph Ang Choon Cheng, Executive Chairman (appointed on 3 Nov 2014) and substantial shareholder Cousin of Eric Ang Choon Beng, Executive Director	Manager of Gathergates Responsible for assisting business manager in various business development exercise undertaken by Gathergates Mr Cheong Kim Hock joined the Group on 2 March 2006, and has been holding the current position since 2 March 2006	NA
Ang Choon Teck	46	Brother of Joseph Ang Choon Cheng, Executive Chairman (appointed on 3 Nov 2014) and substantial shareholder Brother of Eric Ang Choon Beng, Executive Director	Senior Manager of Gathergates Responsible for business development for Gathergates Mr Ang Choon Teck joined the Group on 2 March 2006, and has been holding the current position since 2 March 2006	NA

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Ang Siew Khim	51	Sister of Joseph Ang Choon Cheng, Executive Chairman (appointed on 3 Nov 2014) and substantial shareholder Sister of Eric Ang Choon Beng, Executive Director Spouse of Edward Chia Puay Hwee, CEO of Gathergates Group Pte Ltd and its subsidiaries ("Gathergates Group") and substantial shareholder	Executive Director of VNS Manufacturing Pte. Ltd. ("VNS") Responsible For business development for VNS Madam Ang Siew Khim joined the Group on 1 October 2007, and has been holding the current position since 1 April 2012	NA
Chia Peck Huan	54	Sister of Edward Chia Puay Hwee, CEO of Gathergates Group and substantial shareholder Sister-in-law of Ang Siew Khim, Executive Director of VNS	Manager of Gathergates Responsible for overall procurement matters in Gathergates Madam Chia Peck Huan joined the Group on 29 June 2009, and has been holding the current position since 01 Jan 2012	NA

BY ORDER OF THE BOARD
Joseph Ang Choon Cheng
Executive Chairman

Singapore
24 February 2015